



Medellin, October 23, 2015

For seventh year in a row, Moody's has ratified EPM's Baa3 investment grade rating

- **Outlook is positive.**
- **Moody's recognized the benefits of EPM's diversification associated to international expansion, its adequate financial strategy and the prudent commercial strategy**

Rating agency Moody's Investors Service ratified this Friday, for seventh year in a row, the Baa3 investment grade rating for EPM's international bond issues and corporate debt and maintained the positive outlook assigned in 2014.

EPM's Chief Executive Officer and leader of EPM Group, Juan Esteban Calle Restrepo, indicated that "Moody's positive rating is a demonstration of trust in the company, its growth strategy and business diversification, its efficient management

and the transparent care and administration of its public funds. This rating becomes a benchmark for our investors", said Mr. Calle.

The leadership and business diversification as main energy generator and leading group in public utilities provision in the country was decisive for the rating assigned by the firm, in addition to the following factors:

- Operations of regulated businesses under stable and transparent environments improve cash flow's visibility.
- Growth strategy in line with prudent financing policies.
- The Relationship Framework Agreement subscribed with the Medellín Municipality promotes adequate corporate governance and transparent dividend distribution policy.



- It is estimated that credit metrics could temporally deteriorate amid increased leverage to finance ongoing material investments such as Ituango Hydroelectric Plant.

In its report, Moody's also recognized the benefits of the diversification associated to EPM's international expansion. Additionally, the rating assigned took into account the company's leadership in the sectors where it operates, the visibility of cash flows based on a prudent commercial policy and the favorable regulatory environment.

The ratification of the Baa3 rating reflects EPM's ownership structure and its links with the Medellin Municipality, and incorporates the strategic importance of EPM in the local economy with close to 24% of the Municipality's revenues.

In its analysis Moody's highlighted that since 2012, dividends received by EPM from its controlled and non-controlled affiliates, mainly from international subsidiaries, have increased, and gave positive credit to the fact that it remains the largest generator of operating cash flow of the economic group.

The positive rating announced this Friday by Moody's adds to that of Fitch Ratings which maintained the international BBB+ investment grade rating with stable outlook and AAA for EPM's payment capacity at the national level, the highest credit rating possible, thanks to the solid financial profile and low risk profile of the company.

Information for journalists

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